

ALLOTMENTS AND ASSIGNMENTS FROM PAY

1. **REASON FOR ISSUE:** This Handbook provides procedures and guidance for implementing allotments and assignments from pay.
2. **SUMMARY OF CONTENTS/MAJOR CHANGES:** These procedures permit allotments for a greater range of purposes, subject to system capacities.
3. **RESPONSIBLE OFFICE:** Office of Human Resources Management (Customer Advisory & Consulting Group).
4. **RELATED DIRECTIVE:** VA Directive 5550.3, "Allotments and Assignments from Pay."
5. **RESCISSION:** None.

CERTIFIED BY:

**BY DIRECTION OF THE SECRETARY
OF VETERANS AFFAIRS:**



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ALLOTMENTS AND ASSIGNMENTS FROM PAY

1. **PURPOSE:** This handbook provides procedures and guidance on allotments and assignments from pay.

2. RESPONSIBILITIES

a. The Deputy Assistant Secretary for Human Resources Management will advise management on the policies and procedures contained herein and determine if organizations meet the definition of 'labor organization' in 5 U.S.C. 7103(a)(4).

b. Officials with Human Resources and/or Payroll responsibilities, whether at the local level or the Shared Service Center, will advise employees under their jurisdiction on the policies and procedures for allotment from pay.

c. Management officials at the facility that processes the allotment will be responsible for implementation matters, developing agreements for the payment of allotments to organizations and institutions, as necessary, and determining if an allotment may be approved for processing.

3. AGREEMENTS WITH EMPLOYEE, LABOR, AND/OR MANAGEMENT ORGANIZATIONS

a. Allotments to organizations may require an agreement or written memorandum of understanding between the Department and the organization. These agreements will normally be developed at individual sites unless they involve more than one facility or location, in which case the agreements will be developed jointly by the affected locations. Human resources management offices and payroll activities or the Shared Service Center, as appropriate, should be involved in the agreement process.

b. Organizations applying for dues withholding as labor organizations must meet the definition in 5 U.S.C. 7103(a)(4).

4. TYPES OF ALLOTMENTS

a. Allotments are for the benefit of the employee, but do not include commercial bill paying and similar situations.

b. Allotments may include the following types:

(1) Dues to labor organizations, employee organizations, professional associations and societies, and associations of management officials and supervisors;

- (2) Payments for purchase of U.S. Savings Bonds;
- (3) Payments to the Combined Federal Campaign;
- (4) Payments for installment purchases from the Veterans Canteen Service;
- (5) Payments for alimony and/or child support;
- (6) Payments of Federal debts;
- (7) Payments to financial organizations for savings accounts;
- (8) Payments to nonfinancial organizations for the purchase of individual retirement accounts, money market funds, mutual funds, or similar accounts;
- (9) Payments for State, District of Columbia, and local income or employment taxes;
- (10) Payments for contributions to political action committees;
- (11) Payments for allotments from evaluation pay;
- (12) Payments to medical schools, index hospitals, or insurance carriers for reimbursement of medical and dental residents' fringe benefits;
- (13) Payments for membership fees to labor organizations by nonbargaining unit employees; and
- (14) Payments for other legal purposes as deemed appropriate by management officials at the facility that processes the allotment.

c. Additional allotments for employees in foreign areas outside the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands may include the following:

- (1) Payments for support of relatives or dependents;
- (2) Payment of United States Government Life Insurance and National Service Life Insurance, or certain other life insurance premiums;
- (3) Repayment of home loans; and
- (4) Payments for other legal purposes as deemed appropriate by management at the facility level.

d. Allotments during periods of evacuation may be established by eligible employees as authorized under 5 U.S.C. 5522 or 5523 and procedures in MP-5, Part I, Chapter 550, Section D.

5. SETTING UP, PAYING AND CANCELLING ALLOTMENTS

a. Employees may set up or cancel allotments with assistance from their local payroll servicing facility or the Shared Service Center, as appropriate, using specified procedures, forms, signatures, and conditions for each kind of allotment. Procedures for facilities with local payroll servicing are issued by the Office of Financial Policy in Chapter 5 of MP-6, Part V, Supplement 2.3; procedures for facilities serviced by the Shared Service Center are found in the User's Guide.

b. Employees may set up and pay allotments to employee, labor, and/or management organizations that have a written agreement or memorandum of understanding between the Department and the organization.

c. To the extent that current financial systems allow, new allotments will be paid by electronic funds transfer.

d. An allotment will not be deducted for any pay period in which an employee has no pay or has insufficient pay to make the allotment under the established priority of deductions. Allotments suspended during such periods of leave without pay or insufficient pay will automatically resume when the employee's pay is sufficient to make the allotment.

e. Employees who transfer from one facility to another must complete new allotment authorization(s) in order to continue the payment of the allotment. Employees should work closely with the human resources and payroll offices or Shared Service Center, as appropriate, to ensure that essential payments continue.

f. An allotment will be cancelled when:

(1) The employee requests cancellation, is no longer represented by an organization, or is no longer a member in good standing, and in accordance with the applicable agreement or memorandum of understanding. Payment will cease upon receipt by the payroll activity or the Shared Service Center, as applicable, of written notification of one of these conditions from the employee, organization, or facility Director or designee;

(2) The employee requests in writing that the allotment be cancelled;

(3) The employee dies, retires, transfers to another facility, or separates from VA employment;

(4) The recipient of the allotment dies or if the recipient's whereabouts are unknown;
or

(5) Upon dissolution of the organization or institution receiving an allotment.

g. The number of allotments established will be consistent with Federal regulations, system requirements, and the Department's administrative needs and obligations.

6. ADVISORY SERVICES. The Customer Advisory and Consulting Group (051) will provide guidance and technical advice on the contents of this Handbook. Technical information on procedures for setting up, closing, and administering allotments from pay is available at the local payroll activity or the Shared Service Center, as applicable.